

## **Claim Listing**

Claims 1-13 have been canceled; claims 14-29 are new.

1-13. (Canceled)

14. (New) A computer implemented method for creating an investment vehicle, comprising:

creating via software stored on a computer a debt security providing a fixed income return for a pre-set period of time that further provides an equity conversion arrangement for a select underlying equity security based on future contingent events; and

creating via software stored on said computer a derivative instrument coupled to said debt security providing an option to purchase shares at a select price at a future date, wherein said derivative instrument is itself contingent and may be canceled prior to said future date and payment for said derivative instrument is provided on an installment basis, with future payment obligations extinguished upon cancellation.

15. (New) The method of claim 14 wherein the debt security is a convertible bond.

16. (New) The method of claim 15 wherein the underlying equity security is for equity in an issuer for said convertible bond.

17. (New) The method of claim 14 wherein the future contingent event is matching a price of said underlying equity to a pre-set value.

18. (New) The method of claim 16 wherein said derivative instrument is a callspread option having a strike price equal to a conversion price of said convertible bond.

19. (New) A data processing computer system for implementing and managing investment vehicles configured to alter equity dilution on select debt instruments, said system comprising:

a. a data input and storing platform in communication with information relating to equity-linked securities including total amount, yield, and conversion price of said securities;

b. a processor connected to and in communication with said input and storing platform for receiving said information and selectively creating an investment vehicle, wherein said investment vehicle favorably alters risk of equity dilution by coupling a security to a callspread option, and said processor further provides pricing and hedging information for output to a system user wherein said callspread option is funded by a cancelable payment stream.

20. (New) The data processing system of claim 19 wherein at least some part of said payment stream is a reversible swap of coupons from said security, in exchange for a lowered, effective conversion price.

21. (New) The system of claim 19 wherein said output includes a hedging position determined from said callspread option.

22. (New) A computer implemented system implemented by an investment administrator and/or broker/dealer, comprising:

software stored on said system configured to create and manage an arrangement with an Investor of an asset-linked convertible security having associated therewith a conversion price for an asset linked to said asset-linked convertible security; and

software stored on said system configured to create and manage a payment stream extending for a select period into the future, said arrangement comprising a reversible swap for said payment stream in exchange for a lower effective conversion price.

23. (New) The system of claim 22 wherein said asset is equity.

24. (New) The system of claim 22 wherein said security is a debt instrument.

25. (New) The system of claim 24 wherein said payment stream comprises coupon payments for said debt instrument.

26. (New) The system of claim 23 wherein said lower effective conversion price is accomplished by a callspread option on said equity.

27. (New) A computer implemented method comprising:  
electronically receiving securities related data;  
based on said securities related data, electronically identifying a new issue;  
electronically receiving data related to said new issue, wherein said data related to said new issue comprises underlying equity data and dilution parameters;  
electronically calculating callspread terms based on said data related to said new issue;  
electronically calculating installment terms based on said data related to said new issue and said callspread terms; and  
electronically storing said callspread terms and installment terms.

28. (New) The method of claim 27, further comprising:  
electronically retrieving stored callspread terms and prior environment parameters;  
electronically receiving current environment parameters;  
electronically calculating hedge data based on said callspread terms and environment parameters; and  
electronically storing said hedge data.

29. (New) The method of claim 28, further comprising electronically adjusting said hedge data.